

Levi, Leone  
On the wine trade  
& wine duties

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ON THE

# WINE TRADE & WINE DUTIES.

A LECTURE,

DELIVERED AT KING'S COLLEGE, LONDON,

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BY LEONE LEVI, Esq., F.S.A., F.S.S.,

OF LINCOLN'S-INN, BARRISTER-AT-LAW;

DOCTOR OF ECONOMIC SCIENCE OF THE UNIVERSITY OF ZÜRICHEN, &c.;

PROFESSOR OF THE PRINCIPLES AND PRACTICE OF COMMERCE IN KING'S COLLEGE, LONDON.

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ON THE

WINE TRADE AND WINE DUTIES.

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AMONG the many pleasing surprises which arrest our path in travelling through Europe, not the least is the sight of the vine, whether gracing in elegant festoons the gentle declivities of the banks of the Rhine, skirting with amazing freshness the volcanic elevation of Vesuvius, or thickening the craggy slopes of the mountain regions of Cima de Douro. The vine in its native soil, imbibing the balmy air of a southern climate, is quite another thing from that exotic which adorns our hot-houses, even though the grapes of the latter be often sweeter and more delicate. Capable of cultivation in most temperate regions, but more especially between the latitude of 25 deg. and 50 deg., a belt between 40 deg. and 50 deg., including in fact all the most celebrated vineyards in the northern hemisphere, the vine is everywhere a favourite plant, and vineyards are the objects of tender solicitude among husbandmen. But the same climate, soil, and mode of culture, and even the same vineyard, with a northern or southern aspect, will often produce wine of very different qualities, though a rising ground or hill facing south-east can always be relied upon for giving the best. And much also depends on the season. The vine never does well with cloudy or wet weather; rough wind is prejudicial to it; so is mist; and much heat is against it as well. Quality and quantity are alike affected by these circumstances; and when we add the difference in the methods of culture, and in the manipulations effected, we shall not be surprised if we hear that there are as many sorts of wine as there are species of grapes. We are not wine *connoisseurs* enough to be able to descant on all the different kinds of wine in the market. There are dry wines and fruity wines; we hear of wines having a delicate bouquet or a delicious aroma; of wines acid and sweet; of fine wine, generous wine, and of wines classified and dignified by many other designations and adjectives, though all is not wine that is called wine.

France is pre-eminently a wine-growing country. All her departments situated in the south, south-east, east central, and west, produce wine. We are well acquainted with the "Vin ordinaire," the "Hermitages," "Burgundies," "Bordeaux," and sparkling or effervescent champagne. Often have we heard of the superabundant quantities produced by a good vintage; and statisticians tell us that the average produce of wine in France is not less than 900,000,000 gallons, representing an average value of nearly £25,000,000. Next to France, Spain produces a large quantity of red and white wine. Catalonia, Basque, Biscay, and Navarre, the Asturias, Granada, and Andalusia all yield immense quantities. The Sherry, or Xeres, is sought after everywhere, and she has the Malaga, Muscat, Malvoisie, and Alicante. Altogether it is estimated that Spain, in an ordinary year, produces some 135,000,000 gallons of wine. Portugal is eminently distinguished for her Port, but she has many other qualities of great value, such as her Bucellas, Estramaduro, Lavradio, Carcavallo, Figueiro, and Aveiro, which we have scarcely seen as yet in this country. Her production is over 100,000,000 gallons. In Germany also the vine is very productive. We are well acquainted with the Rhenish wines. The Germans, often passing their wares under the designations of the productions of other countries, manufacture abundant *champagne*; and we know that port wine often comes from Hamburg, of German manipulation, just as Prussian razors and scissors are freely sold with the best of our Sheffield marks. Austria produces 200,000,000 gallons, and Hungary as much as 250,000,000 gallons. Italy, too, has excellent wines; her produce will exceed 350,000,000 gallons. The Aleatico, Asti, Orvieto, Montepulciano, Lachryma Christi, Bertinoro, and Ronco, are well known. They possess considerable delicacy and flavour, and they are pleasant and agreeable to the taste. Switzerland, too, is a wine-growing country, and sparkling wines are manufactured there with much success. The Greek islands are sending some excellent samples. In Southern Russia, and especially the Crimea, the culture of the vine is making rapid progress. Asia, the birth-place of the vine, has nearly abandoned its cultivation since the Koran prohibited the use of wine. With a special permission, it is cultivated in Persia and in some other countries, but it is a monopoly, and the result is most unsatisfactory. In China the vine is not much cultivated. In Africa the culture is confined to the Cape and Canary Islands. With Madeira wine we are well acquainted. America produces much, though she cannot compete with Europe.

New York, Ohio, California, may give some 2,000,000 gallons. In South America, however, some qualities are very superior, especially in Lima, Arequipo, Pisco, and Peru. And Australia is making rapid progress as a wine-growing country.

As for England, attempts have frequently been made to plant vineyards in different parts of the country. As far back as the reign of Henry VII. the Bishops of Lincoln and Bath had vineyards, and in the reign of Edward III. the Earl of Lancaster had vineyards; but the effort was attended by no practical results. Providence, which has been so generous in storing the strata of the earth with plenty of mineral produce, has denied to us the vine, in this, as in most other things, teaching us that it was never intended to render any nation self-sufficient and independent. It has been said, that if wine were necessary for the inhabitants of these islands, we should not be dependent for it on artificial means. According to this theory, nature provides all that is absolutely necessary for the existence of either animals or plants on and around their birth-place. Tropical plants cannot grow in northern climes; water plants cannot thrive on the sand-hill of the desert; and the fish can no more live out of the water than the birds in it. They all have their peculiarity of structure, constitution, and mode of existence, with which the climate and locality in which they are brought forth always agree. Depart from this natural and providential arrangement, and you introduce nothing but disorder and suffering. Accordingly, since the vine cannot exist in this country as an indigenous plant, wine cannot be wholesome to the inhabitants of the United Kingdom. But by so reasoning, we ignore that all the inhabitants of the earth are looked upon from on high as members of one great family, destined to live together in peace and amity, to satisfy each others' wants, and to promote each others' comforts. We ignore the very purposes for which nature has scattered her copious showers of blessings all over the earth; and we ignore altogether the beneficial purposes of trade, which distributes these riches, and brings them within the reach of all. How widely different would it be were each nation restricted to the produce of its own soil and its own industry! What waste of resources on the one hand! What barrenness and discomfort on the other! Thankful, indeed, should we the rather be that we can so freely satisfy our wants out of the vast treasures of the world's storehouse; that we can get tea from China, cotton from America, silks from France and Italy, and wine from Portugal and Spain and other regions of the globe.

Very limited has hitherto been the consumption of wine in this country; not indeed from any unwillingness or dislike on the part of the people, but from their inability to pay for it, and from the political and financial restrictions imposed on its importation. It is well known that claret was extensively used both in England and Scotland from a very early period. When parts of France belonged to England, and when Scotland had more intimate relations with France than with England, it was natural that French wine should receive a decided preference, especially as other kinds of wine were much more costly and more difficult to obtain. Some idea may be formed of such difficulties from the fact that when John de Cologne, who was in the service of Edward III., purchased thirty tons of Rhenish wine in Germany, it became necessary for the king to interest himself in facilitating the safe conveyance of the wine to this country. When, however, war broke asunder the relations of England and France, and completely paralysed the traffic between them, the people were compelled to do without the produce and merchandise of France, and they supplied themselves with the wines of Italy, Spain, and Portugal. Nor was the taste of the people slow in adapting itself to the new exigencies of using other descriptions of wine. Very soon, in fact, port and sherry became even greater favourites than claret ever was. But other political circumstances thereafter greatly influenced our consumption of wine, and especially tended to favour those of Portugal. Towards the end of the 17th century, Portugal, hoping thereby to give a stimulus to her industry, prohibited the importation of manufactured articles from England, by which she estranged herself from her alliance. On the accession, however, of a nephew of Louis XIV. to the throne of Spain, Portugal, having, in common with other states, become alarmed for her own existence, found it necessary to seek the protection of England; and the result was, the conclusion, in 1703, of the famous Methuen treaty, by which Portugal abandoned her prohibition of English woollen, and England consented to receive Portuguese wines at a third less duty than was imposed on wines from other countries. Great difference of opinion has always existed as regards the influence of this treaty.\* Continental

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\* The following is the text of the treaty concluded by John Methuen, Esq., dated Lisbon, Dec. 27, 1703:—

“ 1. The King of Portugal, on his part, stipulates, for himself and his successors, to admit for ever hereafter into Portugal the woollen cloths and the rest of the woollen manufactures of the Britons, as was accustomed till they were prohibited by the laws: nevertheless, upon this condition:

“ 2. That Her Royal Majesty of Great Britain shall, in her own name and



writers have asserted that on Portugal it had a most injurious effect, since she thereby became once more tributary to England for her manufactures. In truth, however, Portugal had long become enervated and incapacitated by bad government. And as for England, the Portuguese market was not, after all, of such great importance as to justify, under any circumstance, our binding ourselves to maintain so great a differential duty as against every other country. However it be, it is evident that by this treaty the consumption of Portuguese wine in this country was greatly promoted, in preference to all other qualities; whilst experience proved that wines of greater strength, such as those usually received from Portugal and Spain, are more suitable to the climate and wants of this country, and to the peculiar temperament of the people, than the light wines of France.

After 1703 no change was made in the wine duties in this country till the treaty of commerce with France negotiated by Mr. Pitt in 1786, by which we consented that the wine imported from France should pay no higher duties in Great Britain than those paid by the wines of Portugal, and we accordingly diminished the duty on French wine from 8s. 9d. to 4s. 6d. per gallon, yet the relative consumption of the two kinds did not materially change. There was a slight increase in the consumption of French wines, from 700,000 to 900,000 gallons in the first two years, but soon the consumption of French wine fell lower than it had been, whilst the consumption of other kinds of wines increased largely from year to year. The war of the French revolution and the Peninsular war rendered the imposition of higher duties necessary. In 1795 French wine paid 7s. 4d., and Portuguese 4s. 10 $\frac{3}{4}$ d. In 1796, French, 10s. 2 $\frac{1}{2}$ d.; Portuguese, 9s. 1 $\frac{1}{4}$ d.; and in 1813 the duty charged on French wines was as much as 19s. 8 $\frac{1}{2}$ d. a limit which however lasted one year only, and in 1814 we returned to 13s. 8d. and 9s. 8 $\frac{1}{2}$ d. for French and Portuguese respectively. As might be expected under

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that of her successors, be obliged for ever hereafter to admit the wines of the growth of Portugal into Britain; so that at no time, whether there shall be peace or war between the Kingdom of Britain and France, anything more shall be demanded for these wines, by the name of custom or duty, or by whatsoever other title, directly or indirectly, whether they shall be imported into Great Britain in pipes, or hogsheads, or other casks, than what shall be demanded for the like quantity or measure of French wines, deducting or abating one-third part of the customs or duty. But if at any time this deduction or abatement of customs which is to be made as aforesaid shall in any manner be attempted and prejudiced, it shall be just and lawful for His Sacred Majesty of Portugal again to prohibit the woollen cloths and the rest of the British manufactures."—*Macpherson's Annals of Commerce*, vol. 2, p. 229.

such circumstances, the consumption of wine diminished instead of increased with such high duties. Yet they were continued till 1825, when a reduction was made on all duties, French wines being charged 7s. 3d., and other wines 4s. 10d., which had a most favourable effect on the consumption. At last, in 1831, the Methuen treaty was abandoned altogether, and the wine duties were equalised at 5s. 6d. per gallon. In 1841, 5 per cent. was added to all duties, making the duty 5s. 9d. per gallon, and so it continued till 1861, when the Treaty of Commerce with France rendered it necessary to revise our legislation on the subject.

Before, however, we pass to the consideration of the effect of this treaty, it is useful to observe the precise working of the 5s. 9d. duty. How did it act upon the consumption? In 1801 the consumption of wine in this country was at the rate of 0·44 gallons per head. Ten years after, the rate of consumption decreased to 0·35 gallons per head. In 1821 it again fell to 0·26 gallons per head. In 1831 it was 0·27 gallons per head. In 1841 it was 0·25; in 1851 it was 0·23; and in 1859 it was 0·21 gallons per head. How was it, then, that with the large increase of wealth, and the immensely increased relations of trade with foreign countries during the present century, the consumption of wine actually decreased? Some are willing to ascribe this decrease of consumption to a decline in the taste for wine in this country. This, however, is quite an erroneous assumption. A great change has, it is true, taken place in the habits of the upper classes as regards the excessive use of wine and spirits, which is certainly a matter for great congratulation. But although cases of excess may be much lessened, there is no reason to believe that there is less desire now to use wine for comfort or luxury than ever there was. The reason of the diminution was that the high duty limited the consumption of wine to the finer and scarcer qualities, and at their high prices they could only be indulged in by the upper and wealthy classes.

A change was however inaugurated with the conclusion of the French treaty. By that treaty, in consideration of certain concessions about to be made by the French Government in the import duties on British produce, England undertook to reduce the wine duty to 3s. per gallon at once, and to establish a scale of duty from the 1st of April, 1861, for charging wine according to the degree of alcoholic strength. Accordingly a law was passed by which from the 4th of April, 1862, the duty should be 1s. per gallon on all wines containing less than 26 degrees of proof spirit, 2s. 6d. per gallon

on wines containing 26 and less than 42 degrees of proof spirit, and 3d. additional for every degree of strength beyond 42 degrees of proof spirit, with a further distinction that 2s. 6d. per gallon should be charged on all wines in bottle and containing less than 42 degrees of proof spirit.

Short as is the time elapsed since the introduction of this change, the results have already been quite extraordinary, both in the imports and consumption of wine. For ten years, from 1850 to 1859 inclusive, the average importation of wine was 9,000,000 gallons. Since, then, by gradual steps, the importation increased to 15,500,000 gallons in 1864, and about 14,000,000 gallons in 1865, showing a vast increase in the last six years. The following table gives the quantities imported in the ten years ending 1865, distinguishing French, Portuguese, Spanish, South African, and Rhenish wines:—

## IMPORTS.

Years.	French.	Portu- guese.	Spanish.	South African.	Italy.	Holland.	Hamburg.	Total.
1856	711,912	3,284,370	4,048,409	492,102	1,65,969	111,104	129,669	8,997,718
1857	796,760	2,984,033	4,628,790	787,753	360,683	121,357	296,268	9,547,583
1858	623,041	1,326,609	2,460,410	654,119	184,060	113,691	169,009	5,133,828
1859	1,010,888	1,797,854	3,629,325	786,621	251,697	194,203	275,671	7,405,757
1860	2,445,151	2,535,760	5,325,947	678,937	253,444	373,242	462,385	11,295,060
1861	2,187,521	2,681,453	4,636,100	126,951	332,210	381,620	338,150	11,052,436
1862	2,244,727	3,048,491	5,365,647	149,455	205,711	314,208	402,730	11,960,676
1863	2,186,706	3,594,877	6,715,507	105,167	374,128	363,857	504,299	14,185,195
1864	2,723,233	3,344,872	7,791,025	29,475	502,802	410,341	368,822	15,451,564
1865	2,915,356	3,740,578	5,891,552	93,301	426,005	466,953	355,629	14,269,770

It must be observed that in 1858 and 1859 the disease in the vine greatly reduced the supply all over the world, but even excluding those years the increase is considerable. The imports from France show a uniform increase; those from Portugal have been very intermittent, as have those from Spain. In the South African wine there has been a decided falling off ever since the change of duties. Italy figures most favourably, and in the imports of Rhenish wines there has been a considerable increase. The progress in the consumption of wine has been still more striking within the last ten years. Whereas in the ten years ending 1859 the quantity consumed averaged 6,500,000 gallons, last year it reached 12,000,000 gallons, the quantity per head of the population having increased from .22 gallons to .41 gallons. The table on page 10 shows the consumption of all the different qualities of wine.

Great, however, as has been the increase in the quantity imported and consumed, it is not difficult to prove that the

## CONSUMPTION.

Years.	French.	Portu- guese.	Spanish.	South African.	Italy.	Holland.	Hamburg.	Total.
1856	614,297	2,559,025	2,932,740	342,824	293,015	90,076	20,347	7,010,799
1857	622,443	2,304,886	2,776,964	435,490	230,574	92,116	57,204	6,584,151
1858	574,993	1,921,677	2,657,131	650,895	220,240	89,315	50,633	5,967,795
1859	695,913	2,020,561	2,876,554	639,521	224,409	125,408	64,943	6,477,120
1860	1,125,916	1,716,172	2,975,906	362,089	204,969	222,726	128,518	6,930,543
1861	2,229,028	2,702,707	4,031,796	227,084	220,801	290,357	161,926	5,676,885
1862	1,901,200	2,350,437	3,955,424	176,735	212,337	316,173	250,842	9,803,028
1863	1,940,193	2,618,717	4,531,167	108,937	273,559	321,486	319,005	10,478,051
1864	2,305,256	2,831,163	4,975,646	68,433	369,498	371,369	324,677	11,456,531
1865	2,609,639	2,890,349	5,193,149	41,622	375,470	405,179	262,000	12,061,386

graduated scale has proved injurious to the wine trade, and that by its operation some of the principal objects contemplated by the change have been completely frustrated. Thus, if the object of imposing a graduated scale of duties according to the degree of spirit, was to give greater facilities to the consumption of the lighter wines, we do not find that as yet the consumption of such descriptions of wine has been materially increased. In 1865, out of 12,000,000 gallons consumed, 10,200,000 gallons contained 26 degrees and upwards of proof spirit, and only 1,800,000 were under 26 degrees, the stronger kinds still continuing to command four-fifths of the whole consumption. If it aimed at giving greater encouragement to the importation of wine from France, rather than from Portugal or Spain, even this was not realised. It is very interesting to observe how the Treaty has affected our import and consumption of Portuguese, Spanish, and French wines respectively. Between 1860 and 1865 the imports of Portuguese wines showed an increase of 50 per cent.; of Spanish an increase of 10 per cent.; of French an increase of 20 per cent. only, though during the same period the consumption of these different wines increased in a different order; that of Portuguese wine having increased 65 per cent.; that of Spanish 75 per cent.; and that of France 130 per cent. The only way of reconciling this immense increase of consumption of French wine with the still large proportion of strong wines in use being, that a great proportion of French wines consumed consists of the heavier kinds.

Another change is however now contemplated in consequence of the Treaty of Commerce just concluded with Austria, by which we have bound ourselves to charge on wine in bottle the same duty as on wine in casks; and an opportunity is thus afforded once more to consider whether it would not be better to abandon altogether

the gradation of duties, and adopt at once the long-wished for uniform rate of one shilling per gallon. We shall consider this question first in its commercial and financial aspect, and secondly in its social and moral bearings.

As an article of commerce wine is not of the same importance in this country as tea, sugar, or cotton, yet the value of the wine imported has rapidly increased from £2,800,000 in 1859 to £4,000,000 in 1865, and year by year it is certain to swell to greater importance. But in calculating the commercial value of any article we must have regard not only to the present amount of imports and exports, but to the character of the article, the experienced results of the restrictions by which it is affected, and the probable effect of a more liberal legislation. Wine is an article of immense growth in numerous countries very near to us. In France, after silk and linen, wine takes chief rank among French exports. So it is in Portugal and Spain. And England is always looked to as the most valuable market by all vine-growing countries, since it is only to this market that they can send the finer and more expensive kinds. Let us offer every facility for the introduction of wine into this country, and we shall give great stimulus to our trade with all such wine-growing countries, not only in wine itself, but in the shipment of British produce and manufactures. As a general rule, the more we import the more we export. If we take from other countries their wine, they must take in return our cotton, our woollen goods, our iron and our hardwares. Look at the effect of the Treaty of Commerce with France. For a long period our commerce with France was very inconsiderable. In 1854 our imports thence amounted to £10,600,000, and our exports to £6,400,000. In 1864 our imports from France amounted to £25,600,000, and our exports to that country reached £23,800,000, the imports having thus more than doubled, and our exports quadrupled. In 1865 our imports were £31,654,000, and our exports to France of British produce only £8,200,000. May we not expect that by abandoning the exceptional restrictions which still exist as regards different kinds of wine, we shall still further develop the resources of both countries? The French agriculturists are seriously complaining of the present method of taxing wine in this country, and in October last they adopted the most exceptional method of petitioning the Chancellor of the Exchequer on the subject. In that petition, agreed on by a large number of wine-growers in Beaujolais and Mâconnais they represented that the wine vaults and docks in England were in such a condition

that the quality of the wine was most liable to change, whilst the climate was not favourable to the bottling of the wine; that the greater part of the consumers were ignorant of the most elementary notion of what was required for the preservation of this article, and that they could only protect the wine from such dangers by adding to the amount of the alcohol, or by sending the wine in bottles; but that neither of these methods could be pursued in consequence of the higher duty. And they continued:—

“Le tarif différentiel, tel est donc, incontestablement, selon nous, l’unique empêchement à l’extension large et certaine de la consommation des vins François en Angleterre. Qu’il soit donc brisé, Monsieur le Chancelier, et l’élan que votre Excellence attend et souhaite aussi vivement que nous sera rapide et puissant. Le droit unique de 1 shilling par gallon sur les vins de toutes provenances, soit en cercles soit en bouteilles, tel est le secret d’un grand progrès à réaliser, tel est le vœu de tous les producteurs de vins, de nous en particulier qui faisons des vins qui sont toujours d’un prix qui sont de beaucoup inférieur au droit de 2 shillings 6 pence. Des faits éclatants, l’élévation de revenue obtenue depuis peu en France aussi bien qu’en Angleterre, dans les postes, les télégraphes, &c., montrent la puissance productive des impôts simples et modérés, tels que les droits uniformes. Pourquoi hésiterait-on à appliquer à une branche des revenus publics ce qui a si bien réussi dans d’autres branches ?

“Pour nous, Monsieur le Chancelier, nous sommes convaincus profondément que la mesure que nous soumettons à votre Excellence réaliserait dans notre commerce des vins avec l’Angleterre, une révolution dont les effets ne seraient pas moins avantageux aux intérêts du trésor anglais qu’à nos nôtres. Nous ne doutons pas que dès que le droit uniforme à 1 shilling sera établi, il ne se forme dans notre vignoble des sociétés de vigneron qui vendront dans le Royaume Uni des vins très bons, très naturels, très salubres, et très agréables, aux prix de 10, 12, et 15 shillings la douzaine de bouteilles rendus à Londres. Des prix aussi modérés ne pourront manquer de provoquer une immense consommation.”

With other wine-growing countries our trade is capable of considerable expansion; but partly from their illiberal legislation, and partly from our own supineness, we allow it to make but little progress. We have not much confidence in treaties of commerce, it being always better when each nation adopts of its own accord an enlightened and liberal policy, yet much may be done to

unfetter our relations of trade with other countries besides France. Our trade with Portugal has not made any great advance of late. In 1854 we imported thence produce of the value of £2,100,000, and exported to Portugal British produce and manufacture and colonial produce to the value of £1,500,000. In 1864 our imports amounted to £2,200,000 and our exports to £2,500,000. With Spain our trade has increased in the last decennium, but not to any extent. In 1854 our imports from that country amounted to £3,500,000, and our exports of British produce to £1,400,000. In 1864 our imports were £5,900,000, and our exports of British, Foreign, and Colonial produce £3,800,000.

Objection has been found, on the part of these countries, to the present classification of wine duties according to strength, in that we are practically reproducing in another form the distinction established by the Methuen Treaty. There may be a seeming equality in charging 1s. and 2s. 6d. duty in proportion to the degree of spirit as applicable to all countries alike, but when we know that some countries have no wine of a light description which can come in at the lower duty, and other countries especially abound in such lighter qualities, are we not giving the latter undue favour? Portugal is specially situated in this respect. Naturally, Port and other Portuguese wines have a larger percentage of spirit than Tokay, Bordeaux, and Champagne, and other French or German wines. But over and above this difference, port and sherry, much more than French wines, cannot be sent to this country, with the intention of its being kept for a number of years, without the addition of a certain quantity of brandy. Hence no wine of Portugal or Spain can be introduced at the minimum rate of duty. Is it not expedient then to alter such differential duties? Would it not be better, and are we not bound, to offer to Portugal and Spain the same facilities in the importation of their wine as we afford to France, Hungary, and Germany? Till very recently Portugal acted most mischievously to her own interest by imposing extraordinary restrictions on the exports of wine. But she found out her errors, and she has now repealed them all. In announcing the change, the Minister of Public Works said—"Forty-five years having already elapsed, not only in studying the question, but also in promoting the transition, I think that the moment has arrived for removing from our legislation an anomaly which neither the greater number of Portuguese nor any foreigner has ever yet been able to understand. I think the time has come for placing the production, sale, purchase, conveyance, and shipment of this

industry and trade upon the same terms which are common to every kind of industry and trade. Information, altogether incorrect, was the cause of the greatest statesman of the last century having adopted a measure which can only be excused on the ground of the state of backwardness in which the science of political economy then was. A fatal measure, on account of the great difficulty which was experienced in order to implant it; superfluous, because it established nothing new, and only served to clog what had already been established under the shade of liberty; and still more fatal, on account of the deep root it took, as is always the case with every privilege which favours private interest; and fatal, in fine, because our manufacturing industry, which ought to be at the present day on equal terms with that of the most advanced nations, was on several occasions sacrificed to the interest of the Douro, which did not stand in need of anything, as is the case with soils yielding such rich products." We trust the liberal policy thus inaugurated may be followed by still more conspicuous measures, and that we shall see Portugal, so well situated for cultivating foreign commerce, speedily adopting a system of administration which will place her on a high vantage ground side by side with the foremost nations of Europe. She cannot expect that we should shape our legislation on wine in accordance with her own requirements, but she has a right to represent the unjust pressure of the special method of taxation upon her principal article of export; and we are convinced that, quite as much for our own interest as for the benefit of those countries which produce the more spirituous kinds of wine, one uniform duty will in the end be the most advantageous.

Allowing, however, the commercial advantage of the further reduction or assimilation of the wine duties to 1s. per gallon, the question still remains how will it affect the revenue? Dependent as we are on our Customs for a large portion of the public revenue, the first consideration must always be, is it expedient or practical to make an alteration in the wine duties which may produce some considerable loss? It is doubtless the duty of the Chancellor of the Exchequer to look to the state and prospects of the finances before he can think of making any experiment in any of the sources of revenue. But experience has proved that a high duty on an article of general consumption is never profitable. In 1801 the revenue from wine was £2,000,000; in 1858 it was £1,800,000. Notwithstanding the immense increase in the population and wealth, the revenue from wine continued in a



stagnant and unchanging condition. Mr. Shaw had long advocated, even on fiscal considerations, the reduction of the duty to 1s. per gallon, but years passed without any alteration having been made. And when the Treaty of Commerce with France put an end to the delay, the Chancellor of the Exchequer did not venture at once to go so low as 1s.; and though he admitted the lighter kinds of wine at that rate, practically the reduction of duty was not from 5s. 9d. to 1s., but from 5s. 9d. to 2s. 6d. What has been the result of the last legislation, even with this limited change? During the last ten years the revenue from wine has been as follows:—

Years.	Amount of Revenue.
1856	£2,022,434
1857	1,899,224
1858	1,721,715
1859	1,868,826
1860	1,112,069
1861	1,219,533
1862	1,123,603
1863	1,214,713
1864	1,319,261
1865	1,374,854

Here we see how speedily the revenue is recovering itself. At this moment the entire amount is only £350,000 less than it was in 1858. Doubtless by reducing the duty on the stronger kinds of wine, which are extensively consumed, the revenue will suffer still more. In 1865 as much 10,000,000 gallons of wine paid 2s. 6d. duty, producing a revenue £1,250,000. At 1s. the same will produce only £500,000, showing a loss of £750,000. There were, however, upwards of 1,000,000 gallons imported in bottle, mostly all of the lighter kinds, which, under the new treaty, will pay only 1s. per gallon, so that the additional loss would not be more than £700,000. But the consumption of wine will certainly increase to an enormous extent. It has indeed been estimated that were it possible to obtain a good bottle of wine at 9d., or even 1s., we should see wine on the tables of all our middle-class families, and that instead of the present consumption of two to three bottles per head in the year, it would reach at least twelve bottles per head, or 60,000,000 gallons, which at 1s. duty would produce a revenue of £3,000,000 per annum.

We are not so sanguine that such increase will be realised at once, since it would bespeak a considerable change in the habits of the people. Still a considerable increase in the consumption may be safely calculated, even in the first year, so as to reduce the loss probably to £500,000. It is quite evident that the reduction already made is barely sufficient to allow the consumption of wine in this country to spread among the middle and lower classes, setting aside that the present method of charging the duty according to strength is cumbrous and difficult. For financial purposes we must deal with the wine duty in the same manner as we have dealt with the duties on tea and sugar. In finance half-measures are never satisfactory; they do not answer the end in view. Hitherto, although a gracious Providence has designed wine to be an article for general use and comfort, a capricious legislation has made it a superfluity and a luxury. Let us restore it to its natural place, and we shall see the consumption increasing as rapidly as that of any other necessary of life. The contemplated change of putting wine in bottle on the same footing as wine in cask, is not likely to be of material benefit, though some of the German wines, in fancy bottles and ornamental labels, may thereby find their way to this country. It is always more expensive to have the wine bottled abroad than in this country. The freight would be greater; there is more danger of breakage; and the bottles themselves may be more costly. If, therefore, we adopt the partial change, we are not likely to solve the question. A more complete measure is necessary, and one uniform duty is the only one that will satisfy.

In dealing with this question the Chancellor of the Exchequer must, of course, well consider the bearing of the wine duty on the duties of spirit and malt. It is an important fact that the revenue from such beverages amounts to the large sum of £22,000,000, viz., £13,000,000 from British and foreign spirits, £6,000,000 from malt, £1,500,000 from licences, and £1,400,000 from wine. As regards wine and spirits, they stand each on its own independent position. There is no doubt that wines have always been introduced at lower rates than spirits, and on good grounds. Wine has universally been recognised as wholesome, nutritious, and pleasant; and almost everywhere else than England it enters largely into the common diet of the people. Spirits, on the other hand, except in small quantities, are injurious to physical and moral welfare. Considerable agitation has, however, been made for the reduction, if not abolition, of the Malt-tax, and very cogent reasons have

been given for a reform in that branch of the revenue. But the radical difficulty of dealing with it, is the great amount of income affected by it. With the large national expenditure now going on, amounting to upwards of £70,000,000, the Chancellor of the Exchequer cannot afford to lose £6,000,000 from one single source at once. If we venture to advocate, on financial grounds, the further reduction of the wine duty, it is because we are confident that the revenue will soon recover the present amount, whilst the temporary loss likely to arise is not much beyond the means at hand in the surplus known to exist. The only point worthy of consideration in the relation between the wine and spirit duties is the per centage of strength at which wine shall be allowed to pay wine duties. By a Treasury order of 1853, all wines exceeding 33 per cent. of proof spirit were to be charged as spirit. In 1857 the limit was advanced to 40 per cent., and in 1862 the limit was fixed at 42. There is no reason certainly for having wines so heavily charged with extra quantity of spirits; and in justice both to the importer of spirits and to distillers in this country, in reducing still further the duty on wine, a lower limit should be established, say 37 or 40 degrees as the maximum.

In thus favouring a more liberal legislation respecting wine, I fear I may be charged with giving an additional impulse to what is already the great stigma of the country—the excessive use of alcoholic liquors. The social and moral bearings of such a question are indeed of still greater importance than the economical or commercial. We know too well the evils of drunkenness, the misery, the wretchedness, and the crime which it engenders, not to be alive to the duty of seriously considering whether by stimulating the greater consumption of wine we do not inflict a great evil on society. It is not necessary to enter into the debatable question of temperance. Thankful should we be to the earnest labourers in so sacred a cause for all the good they have already achieved. Thankful should we be to any one who heroically sacrifices his comforts, and it may be his very interest, to the noble duty of animating others, less gifted with self-restraint and fortitude, to a path of honour and advancement. And since each of us in our individual sphere, each in our own manner, doubtless exercises a large amount of social influence, we should decidedly endeavour to use it on the side of temperance and moderation. But we must not be carried away by prejudice, or stretch unduly the limits of duty. In judging whether we do harm or good in pro-

noting the greater use of wine we must first of all see what is the experience of other countries, where wine is almost exclusively used, and in enormous quantities,—we must compare the state of drunkenness in this country and on the Continent. Is it not a fact that the people on the Continent are on the whole considerably more temperate than the people in this country? Doubtless wine has a most injurious effect if taken in excess; but certainly it is not near so disastrous to the physical and moral well-being of society as an excess of spirits. What we should aim at is the gradual change in the habits of the people of this country in introducing the use of wine instead of ardent spirits. This is what is wanted, and, by promoting it, we think we advance materially the sacred cause of temperance. It is vain, perhaps, to expect that those accustomed to excessive physical exertion will either abandon the use of alcoholic liquors altogether, or even the large quantity of ale which they are in the habit of taking, for small sippings of costly wines. And among those who are destitute of physical comforts, or who are cast down by misfortune, spirits will ever prove attractive. But among the middle classes we may yet witness a great change. At present a large number, unable to afford the expense of purchasing wine, have given themselves to spirits, and use them even in excess. And many are the wrecks among the better and even educated portions of society arising therefrom. But let wine, sufficiently good and healthy, be rendered available, and the change will be immediate. It is quite needless to say that wine is not a necessary of life, but an article of luxury. Whether any article is a necessary of life or a luxury depends entirely on the means at our disposal to obtain it, and on the habits we may contract. Tea was once a luxury, now it is one of the most common articles of use among all classes of society. Let wine be sufficiently cheap; and if it be suitable to our constitutions, as it evidently is, it will soon become, if it is not already, a necessary of life.

Commerce is a great instrument whereby we become acquainted with the produce and industry of all countries; and there are few indeed among the many gifts of Providence which do not serve the great purpose of satisfying human wants and increasing human comforts. It is not by shutting our ports, and by adopting a restrictive legislation, that we shall ever shut out the seeds of vice and drunkenness; but rather by enlarging the comforts of the people, by opening our trade, and by rendering labour abundant and profitable. Let us do our utmost to extend

the blessing of education, and to sow the maxims of religion and duty. Let us endeavour by every agency, social and intellectual, to elevate and civilize the masses of the people. Let us, by the opening of museums in the evening, and by affording scientific and intellectual treats, endeavour to attract the masses away from places of temptation, and we shall soon see the excessive use of spirits gradually diminish, and even that of wine limited to the legitimate purposes for which it was evidently designed by a gracious Providence.



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